



Disparity Study: Phase II Update



Economic Development Committee Meeting June 14, 2018



Agenda



Objectives for Today

- Disparity Study & CBI Overview
- Review CBI Policy considerations related to MWSBE certification and eligibility and receive Committee feedback



CBI Policy Considerations for MWSBE Certification and Eligibility

- SBE Certification Term
- Length of Time in Business
- Business Size & Personal Net Worth Requirements
- Reciprocal MWBE Certifications
- Veteran Owned Business



Future Meeting Topics:

- MWSBE Subcontracting Goal Thresholds
- Sheltered Market Program
- Good Faith Efforts
- Alternative Construction Agreements

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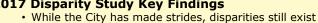


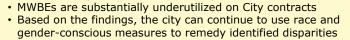


Disparity Study & CBI Overview



2017 Disparity Study Key Findings

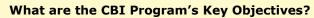






CBI Mission

 Promote diversity, inclusion, and local business opportunities in the City's contracting and procurement process for businesses located in the Charlotte region.



- Increase SBE certifications and MWBE registrations
- Increase City contract spending with MWSBE primes
- Establish prime utilization of MWSBE subcontractors
- Monitor MWSBE contract compliance
- Track and report on MWSBE spending
- · Enhance awareness of City contracting opportunities
- · Educate and strengthen MWSBE knowledge on how to bid on City contracts

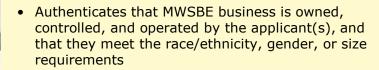
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Why is MWSBE Certification Important?







Facilitates tracking and reporting of diverse spend







CBI Policy Considerations for MWSBE Certification and Eligibility

Review Area	Current CBI Policy Language	Considerations/Impact	Recommendation
SBE Certification Term	SBE certification is valid for three (3) years	NC Historically Underutilized Business (HUB) certification for MWBEs is valid for four (4) years Increasing the certification term will make SBE certification more attractive to firms	Staff and CBI Advisory Committee (CBIAC) recommend increasing the City's SBE certification to four (4) years
Minimum length of time in business for MWSBE certification/ registration	No length of time in business is required Owner(s) must demonstrate substantial experience in the trade or industry, and appropriate licenses.	Neither NC HUB nor NC Department of Transportation (NCDOT) consider a firm's length of time in business for certification	No changes recommended by CBIAC or staff



CBI Policy Considerations for MWSBE Certification and Eligibility

Business size and Personal Net Worth (PNW) requirement for MWBEs - **MWBE** - **MC** HUB Office does not have requirements for business size or PNW - **MWBE** - **MC** HUB Office does not have requirements for business size or PNW - **MWBE** - **MC** HUB Office does not have requirements for business size or PNW - **MWBE** - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does not have requirements for business size or PNW - **MC** HUB Office does	Review Area	Current CBI Policy Language	Considerations/Impact	Recommendation
and Personal Net Worth (PNW) requirements for SBE certification SBE certification SBE personal net worth cannot exceed 25% of the applicable size standards established by the Small Business Administration. SBE personal net worth cannot exceed 25% of the applicable size standards established by the Small Business Administration. Increasing the thresholds will result in a larger pool of SBE vendors to perform on City contracts	and Personal Net Worth (PNW) requirement for	requirements are established by NC	recommended the City consider establishing business size and PNW thresholds for MWBEs NC HUB Office does not have requirements for	recommended by
allowable exclusions.	and Personal Net Worth (PNW) requirements for	cannot exceed 25% of the applicable size standards established by the Small Business Administration. • SBE personal net worth cannot exceed	cities and NCDOT, Charlotte has the lowest thresholds • Increasing the thresholds will result in a larger pool of SBE vendors to perform	recommended by CBIAC or staff at





CBI Policy Considerations for MWSBE Certification and Eligibility

Review Area	Current CBI Policy Language	Considerations/Impact	Recommendation
Acceptance of reciprocal MWBE certifications from other certifying entities (i.e., NCDOT, Carolinas Virginia Minority Supplier Development Council, Greater Women's Business Council)	Only NC HUB MWBE certifications are recognized	NC HUB offers reciprocity for Disadvantaged Business Enterprises (DBEs) certified with NCDOT as well as MWBEs certified by other state or national certifying organizations in GA, NC, SC, TN or VA	Partner with NC HUB Office to ensure that MWBEs and DBEs are aware of NC HUB's reciprocity certifications



Veteran Owned Business









- As with the MWSBE Program, General Assembly authorization would be necessary for anything other than an aspirational program
- Policy and programmatic issues for the General Assembly and the City include:
 - Whether and how to ascertain if there are barriers to participation and the degree of underutilization
 - "Disabled" veterans
 - Definition of veteran owned
 - Geographic requirements
 - Building a data base
 - Prime contract bid incentive/reduction
 - Subcontracting goals

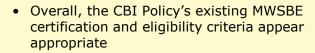
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Summary of MWSBE Certification and Eligibility Considerations



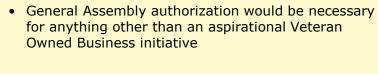




 Staff and CBIAC recommend increasing the SBE certification term to four (4) years to reduce the administrative burden on small businesses and conform with NC HUB



 Partner with NC HUB Office to ensure that DBEs and MWBEs are aware of NC HUB's reciprocity



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QUESTIONS?

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